

2004 CITY PROPERTY TAXES

CITY COUNCIL APPROVES REDUCED GENERAL FUND BUDGET

FACED WITH CHALLENGES TO BALANCE the 2004 General Fund Budget due to a \$2 million loss in state aid, **the City decreased its General Fund Budget by almost 2 percent.** The City Council’s adoption of the 2004 General Fund Budget in December resulted in a tax levy of \$34,129,453.

The increase was a result of the Market Value Credit given to homeowners by the State, but not paid to the City. If the State had paid the City for the Market Value Credit, the City’s property tax increase would have been 1 percent. The City’s levy for 2004 will yield the same amount it was to receive in property tax and aids in 2003.

Based on this tax levy, the City’s portion of property taxes – approximately 32 percent – will increase from \$43.58 to \$49.38 per month for the owner of a median-priced single-family home in Bloomington with a 2004 market value of \$195,800.

Conservative increase

“Including the 2004 increase, the City’s total levy dollar increase averaged 2.7 percent annually over the last 11 years,” explained Lori Economy-Scholler, Bloomington Chief Financial Officer. “The City’s strong financial position and conservative spending pattern has helped to keep tax increases low.”

Home value increases

Median home value has increased from \$178,800 in 2003 to \$195,800 in 2004, a 9.9 percent increase. A strong residential property market, moderate market increases for other property types and the state’s 2001 property tax

reform increased overall residential property taxes for 2004. These factors also shifted the burden for the City’s share of the taxes from commercial/ industrial and apartment properties to single-family residential properties. Due to the tax reform, even without a levy increase for 2004, the average home would have experienced a \$3.27 per month tax increase.

Responsible budgeting

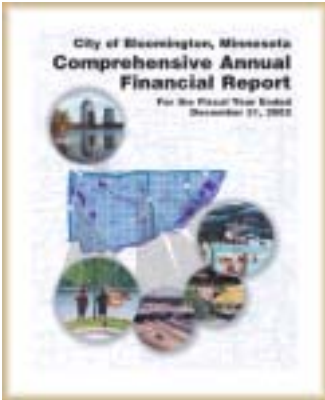
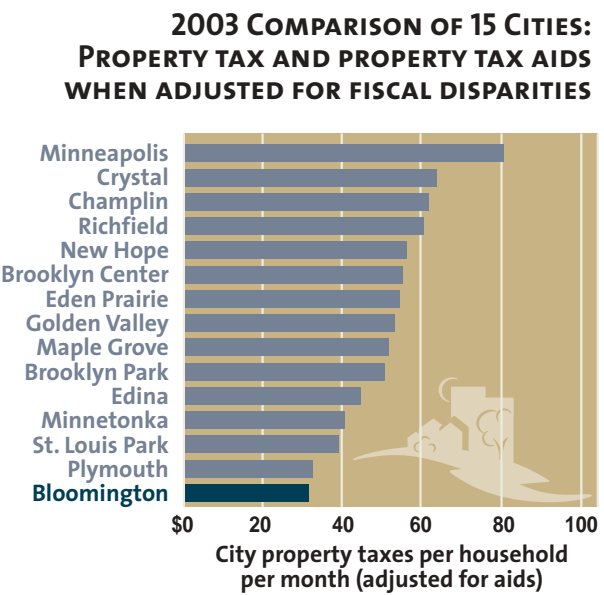
The City made adjustments in 2002 and 2003 for declining local revenues. Even with the loss of state monies in 2004, the City’s ongoing commitment to cost-effective services again resulted in the City working to minimize the increase. As a result, the levy is \$1,780,000 below the state-imposed levy limit.

In a 2003 comparison of 15 communities in Hennepin County with more than 20,000 residents, the average household cost of services in terms of property taxes and property tax aids (when adjusted for Fiscal Disparities) showed Bloomington ranking the lowest, with the average household paying \$ 31.23 per month in property taxes to the City. *See bar graph at right.*

Public works, police and fire services account for about 60 percent of the monthly services for which homeowners pay. *See chart below.*

From 1995 through 2002, utility fees remained unchanged. For 2004, utility fees will increase \$1.45 or 4.9 percent per month, for an annual average increase of 1 percent since 1995.

MONTHLY COST FOR CITY SERVICES		
Service type	2003	2004
Police	\$13.09	\$14.20
Public Works	8.80	10.25
Community Services	5.83	6.68
Debt and capital	5.53	4.39
Finance, Legal, Human Resources	2.58	1.68
Fire	3.18	6.94
Technical Services	1.65	1.92
Community Development	2.04	2.52
Administration	.88	.80
Monthly total for City services	\$43.58	\$49.38
Median home value	\$178,800	\$195,800



CITY RECOGNIZED FOR ANNUAL REPORT

THE CITY OF BLOOMINGTON’S *Comprehensive Annual Financial Report* RECEIVED THE CERTIFICATE of Achievement for Excellence in Financial Reporting for fiscal year ended December 31, 2002. The City has received this award for the past 31 years, longer than any other Minnesota city. The award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.



ALL IN THE FAMILY

SECOND-GENERATION COUNCILMEMBER SERVES CITY

WHEN AMY GRADY TOOK OFFICE IN January, she followed in the footsteps of her late father, Robert Darr, who served on the Bloomington City Council from 1973 to 1981. Like father, like daughter, Grady also holds the at-large seat. Giving back to the community is in Grady’s blood. Both of her parents were very active when she was growing up and local issues were a way of life. “My parents always taught me that if you get the benefits, you give back,” Grady said. “It is important to me to do something that makes a difference.”

An attorney with her own firm, Grady has volunteered many years of community service including her involvement with Bloomington’s Planning and Charter commissions, Port Authority and Chamber of Commerce. Grady is looking forward to serving with others on the Council, whom she described as “a wonderful group of people.” Grady was elected to the City Council in November, filling the seat left vacant by former Councilmember Mike Fossum who did not seek re-election.



OLD TOWN HALL REUSE STUDY

ART CENTER BUILDING DEMOLITION FIRST STEP

IN FEBRUARY, THE CITY COUNCIL WILL select a consultant to study alternative uses for the Old Town Hall building and site at 10200 Penn Avenue South. Through interviews, the firm conducting the study will gather information on the building’s historic importance, and the cost and feasibility of reuse alternatives.

History

Old Town Hall was built in 1892 as a place for public meetings, church services, education and social gatherings. Its use evolved to house government offices until 1964 when City offices moved across the street. Soon after, the City Council approved Old Town Hall’s use by the Bloomington Historical Society.

Reuse study

The reuse study will address the ongoing needs for maintenance, repair and renovation of the Old Town Hall building. Demolition of the former Art Center building, located on the site, is one step in creating a site that will support Old Town Hall’s reuse.

Council’s goals

- The City Council instructed the consultant to prepare a plan that:
- Fits well with site constraints and the changing neighborhood.
 - Preserves the Old Town Hall as a reminder of Bloomington’s history.
 - Is cost-effective for Bloomington taxpayers.
 - Establishes the building as a citywide landmark and neighborhood-gathering place.

Schedule

The reuse study recommendations will be presented to City advisory commissions and the City Council in summer 2004. For more information, call Community Development Director Larry Lee at 952-563-8947.

MORE ON OLD TOWN HALL
A history of Bloomington with emphasis on the Old Town Hall will be presented at a Gideon Pond House Open House on Sunday, March 21. *See details on page 5.*